
A BILL FOR AN ACT

RELATING TO AGRICULTURE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 141, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§141- Department of agriculture lands; land
5 transactions; agribusiness development corporation. The
6 department of agriculture, as necessary, may lease to or
7 otherwise engage in transactions involving lands under its
8 control with the agribusiness development corporation for the
9 purposes of section 163D- ; provided that the department of
10 agriculture shall verify that such purposes are being pursued."

11 SECTION 2. Chapter 163D, Hawaii Revised Statutes, is
12 amended by adding a new section to be appropriately designated
13 and to read as follows:

14 "§163D- Food production and organic livestock feed
15 development mobilization program. (a) The corporation may
16 establish a food production and organic livestock feed
17 development mobilization program, under which the corporation
18 may develop and implement agricultural projects having to do



1 with food production and organic livestock feed development on
2 lands leased from the department of agriculture pursuant to
3 section 141- .

4 (b) The corporation may identify and seek specific lands
5 for lease from the department of agriculture for purposes
6 pursuant to this section.

7 (c) For the purposes of this section, the corporation may
8 receive assistance from and form a partnership with the high
9 technology development corporation in implementing technological
10 innovations for improved organic crop cultivation, pursuant to
11 206M- .

12 (d) For the purposes of this section:

13 "Food production" means the growing or processing of a crop
14 that is raised to be food for human consumption.

15 "Organic livestock feed development" means any process
16 through which organic feed is developed and prepared for sale to
17 livestock farmers."

18 SECTION 3. Chapter 206M, Hawaii Revised Statutes, is
19 amended by adding a new section to be appropriately designated
20 and to read as follows:

21 "§206M- Assistance to the agribusiness development
22 corporation in organic food production and organic livestock



1 feed development. The development corporation may assist the
2 agribusiness development corporation with the food production
3 and organic livestock feed development mobilization program in
4 implementing technological innovations for improved organic crop
5 cultivation, pursuant to section 163D- (c)."

6 SECTION 4. Section 166E-8, Hawaii Revised Statutes, is
7 amended to read as follows:

8 "~~[[§166E-8]]—Disposition~~ Land transactions. (a) Any
9 provision of this chapter to the contrary notwithstanding, the
10 department may ~~[dispose of]~~ engage in land transactions for:

- 11 (1) Public lands and related facilities set aside and
12 designated for use pursuant to this chapter; and
13 (2) Other lands and facilities under the jurisdiction of
14 the department pursuant to section 166E-9 and
15 notwithstanding chapter 171,
16 by negotiation, drawing of lot, conversion, or public auction.

17 Except as provided by ~~[subsection (d),]~~ subsections (d) and
18 (e), the department shall ~~[dispose]~~ engage in land transactions
19 of public lands by lease only.

20 (b) In all ~~[dispositions]~~ land transactions, the
21 department shall be subject to the requirements set forth in



1 rules adopted by the board consistent with section 166E-6 and
2 subject to the following:

3 (1) All transactions of land and facilities shall be
4 [~~disposed of~~] for purposes of agricultural or
5 aquacultural activities only;

6 (2) Each lessee shall derive a major portion of the
7 lessee's total annual income earned from the lessee's
8 activities on the premises; provided that this
9 restriction shall not apply if:

10 (A) Failure to meet the restriction results from
11 mental or physical disability or the loss of a
12 spouse; or

13 (B) The premises are fully used in the production of
14 crops or products for which the [~~disposition~~]
15 land transaction was granted;

16 (3) The lessee shall comply with all federal and state
17 laws regarding environmental quality control;

18 (4) The board shall:

19 (A) Determine the specific uses for which the
20 [~~disposition~~] land transaction is intended;

21 (B) Parcel the land into minimum size economic units
22 sufficient for the intended uses;



- 1 (C) Make, or require the lessee to make, improvements
2 that are required to achieve the intended uses;
- 3 (D) Set the upset price or lease rent based upon an
4 appraised evaluation of the property value,
5 adjustable to the specified use of the lot;
- 6 (E) Set the term of the lease that shall be not less
7 than fifteen years nor more than sixty-five
8 years, including any extension granted for
9 mortgage lending or guarantee purposes; and
- 10 (F) Establish other terms and conditions it deems
11 necessary, including but not limited to
12 restrictions against alienation and provisions
13 for withdrawal by the board; and
- 14 (5) Any transferee, assignee, or sublessee of a non-
15 agricultural park lease shall first qualify as an
16 applicant under this chapter. For the purpose of this
17 paragraph, any transfer, assignment, sale, or other
18 [~~disposition~~] land transaction of any interest,
19 excluding a security interest, by any legal entity
20 that holds a non-agricultural park lease shall be
21 treated as a transfer of the non-agricultural park
22 lease and shall be subject to the approval of the



1 board and to reasonable terms and conditions,
2 consistent with this chapter or rules of the board
3 that the board may deem necessary. No transfer shall
4 be approved by the board if the disposition of the
5 stock or assets or other interest of the legal entity
6 would result in the failure of the entity to qualify
7 for a non-agricultural park land lease.

8 (c) After notice of [~~the~~] breach or default as provided in
9 rules adopted by the board consistent with section 166E-6, a
10 violation of any provision in this section shall be cause for
11 the board to cancel the lease and take possession of the land.

12 (d) The board may issue easements, licenses, permits, and
13 rights-of-entry for uses that are consistent with the purposes
14 for which the lands were set aside or are otherwise subject to
15 the authority of the department pursuant to section 166E-9.

16 (e) Subsections (b)(2) and (5) shall not apply to any land
17 transactions involving non-agricultural park lands leased by the
18 department to the agribusiness development corporation; provided
19 that:

20 (1) Any transfer, assignment, or other land transaction
21 involving any interest of a non-agricultural park land
22 lease, excluding a security interest, by the



1 agribusiness development corporation shall be treated
2 as a transfer of the non-agricultural park land lease
3 and shall be subject to the approval of the board and
4 to reasonable terms and conditions, consistent with
5 this chapter or rules of the board that the board may
6 deem necessary; and

7 (2) Any transaction involving lands or facilities with the
8 agribusiness development corporation shall be for the
9 purposes of food production or organic livestock feed
10 development pursuant to section 163D- ."

11 SECTION 5. Section 166E-11, Hawaii Revised Statutes, is
12 amended to read as follows:

13 "**[+]§166E-11[+]** **Lease negotiation.** (a) The department
14 may negotiate and enter into leases with any person who:

- 15 (1) Holds a revocable permit for agricultural purposes;
16 (2) Has formerly held an agricultural lease or a holdover
17 lease of public land that expired within the last ten
18 years and has continued to occupy the land; or
19 (3) Is determined by the department to have a beneficial
20 impact on agriculture.

21 (b) Lands eligible for lease negotiations under this
22 section are limited to lands that are:



- 1 (1) Zoned and used for agricultural purposes;
- 2 (2) Set aside for agricultural uses only, by the governor
- 3 through an executive order to the department; and
- 4 (3) Not needed by any state or county agency for any other
- 5 public purpose.

6 (c) In negotiating and executing a lease as authorized,
7 the board shall:

- 8 (1) Require the appraisal of the parcel using standards of
- 9 national appraiser organizations to determine the
- 10 rental, including percentage rent;
- 11 (2) Require the payment of a premium, computed at twenty-
- 12 five per cent of the annual lease rent, with the
- 13 premium to be added to the annual lease rent for each
- 14 year of the lease equal to the number of years the
- 15 lessee has occupied the land, except that the premium
- 16 period shall not exceed four years; and
- 17 (3) Recover from the lessee the costs of expenditures
- 18 required by the department to convert the parcel into
- 19 leasehold.

20 The department shall notify in writing those eligible for
21 lease negotiations under this section and shall inform the
22 applicants of the terms, conditions, and restrictions provided



1 by this section. Any eligible person may apply for a lease by
2 submitting a written application to the department within thirty
3 days from the date of receipt of notification; provided that the
4 department may require documentary proof from any applicant to
5 determine that the applicant meets eligibility and qualification
6 requirements for a lease.

7 (d) Notwithstanding any provision of this chapter to the
8 contrary, the department may negotiate and enter into leases
9 with the agribusiness development corporation for purposes
10 pursuant to section 163D- , and any qualification requirements
11 under this chapter shall not apply."

12 SECTION 6. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 7. This Act shall take effect on July 1, 2050.



Report Title:

Land Transactions; Food Production; Organic Livestock Feed; ADC;
DOA; HTDC

Description:

Authorizes the Department of Agriculture to enter into leases and other land transactions with the Agribusiness Development Corporation (ADC) for food production or organic livestock feed development. Creates a program under the ADC, with assistance of the High Technology Development Corporation, to encourage organic food production and organic livestock feed development. Exempts ADC from certain qualifying provisions to receive non-agricultural park lands for growing food or developing organic livestock feed. Effective July 1, 2050. (SB753 HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

